

# SENATE BILL No. 101

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-2-5.

**Synopsis:** Insulation income tax deduction. Increases the individual income tax deduction for installation of new insulation from \$1,000 to \$2,000.

**Effective:** January 1, 2006 (retroactive).

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**Becker**

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January 9, 2006, read first time and referred to Committee on Tax and Fiscal Policy.

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Second Regular Session 114th General Assembly (2006)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2005 Regular Session of the General Assembly.

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## SENATE BILL No. 101

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A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1       SECTION 1. IC 6-3-2-5 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]: Sec. 5. (a) For  
3 purposes of this section, "insulation" means any material, commonly  
4 used in the building industry, which is installed for the sole purpose of  
5 retarding the passage of heat energy into or out of a building.  
6       (b) A resident individual taxpayer is entitled to a deduction from ~~his~~  
7 **the taxpayer's** adjusted gross income for a particular taxable year if,  
8 during that taxable year, ~~he the taxpayer~~ installs in ~~his the taxpayer's~~  
9 residence new, but not replacement, insulation, weather stripping,  
10 double pane windows, storm doors, or storm windows. However, a  
11 taxpayer does not qualify for this deduction unless the part of ~~his the~~  
12 **the taxpayer's** residence in which ~~he the taxpayer~~ makes the installation  
13 was constructed at least three (3) years before the taxable year for  
14 which the deduction is claimed.  
15       (c) The amount of the deduction to which a taxpayer is entitled in  
16 a particular taxable year is the lesser of:  
17       (1) the amount the taxpayer pays for labor and materials for the



1 installation that is made during the taxable year; or

2 (2) ~~one two~~ thousand dollars ~~(\$1,000)~~. **(\$2,000)**.

3 (d) To obtain the deduction provided by this section, the taxpayer  
4 must file with the department proof of ~~his~~ **the taxpayer's** costs for the  
5 installation and a list of the persons or corporations who supplied labor  
6 or materials for the installation.

7 SECTION 2. [EFFECTIVE JANUARY 1, 2006 (RETROACTIVE)]

8 **IC 6-3-2-5 applies to taxable years beginning after December 31,**  
9 **2005.**

10 SECTION 3. **An emergency is declared for this act.**

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